

1. MEETING PROTOCOLS

Executive Assistant MartyJo Davis presented an overview of meeting protocols and provided instructions on utilizing features of the Zoom Virtual Meeting platform that allow members to participate virtually.

2. CALL TO ORDER

President Felicelli called the San Miguel Power Association (SMPA) Board of Director's regular meeting to order at 9:04 AM. The meeting was held in person at the Ridgway office location and via Zoom Video/Teleconference. All Directors were in attendance in person at the Ridgway office location.

3. APPROVAL OF CONSENT AGENDA

Director Garvey motioned to approve the consent agenda (January 23, 2024), including the meeting minutes from December 19, 2023, with corrections. Director Alexander seconded. The motion was voted and carried.

4. MEMBER OR CONSUMER COMMENTS

General Member/Consumer Comments

- Director Felicelli stated he had several conversations with members regarding member dividend checks.
- Director Rhoades advised that he received several calls from Silverton members regarding the recent outage in the area.

Sharing Success Grant Presentation

Manager Freeman gave a brief overview of the Sharing Success Grant Program, explaining that a sub-committee reviews the Sharing Success Grant applications and makes recommendations to the Board. Then, the Board votes on the recommendations. Mr. Freeman reported funding for the program is a combination of SMPA funds and matching funds from CoBank.

- Mr. Freeman presented Peter O'Neil, Director of the Ouray Ice Park, with a \$5,000 check from Sharing Success Funds.
- Mr. Freeman presented Christine Fischer with a \$15,000 check from Sharing Success Funds.

CEO Items

Power Supply Update

Manager Lehigh advised that the Federal Energy Regulatory Commission (FERC) has issued a final decision regarding the Contract Termination Payment (CTP) methodology that Tri-State will use for members exiting Tri-State (TS). FERC decided that a modified balance sheet approach shall be used when calculating exit fees for members wishing to exit TS. TS has generated preliminary exit fees for interested parties; this will be discussed further in the executive session as the information is contractual. Additionally, TS submitted a rate proposal to FERC in June of 2023; however, FERC has not approved it and recently sent TS a deficiency letter along with numerous questions about the rate schedule TS had proposed. FERC's questions were primarily related to radio lines / non-network facility charges. Tri-State has responded to FERC, explaining the cooperative model is the basis for the structure. FERC is reviewing the information included in TS's response. Possible outcomes include that FERC approves the submitted rate, requiring modification to the submitted rate schedule, or rejects the submitted rate schedule. If FERC determines that the radio line / non-network facility expenses must be directly assigned to members, SMPA could be impacted by a significant increase. Tri-State is currently designing a program and process to work with members interested in a partial exit from Tri-State. The proposed Bring Your Own Resource model will give interested cooperatives flexibility, allowing them to utilize up to 40% average annual coincident peak to promote our own and grow their own projects.

Introduction of Employee Guests

Kelly Truelock, Senior Staff Accountant; Joshua Hainey, Senior Staff Accountant; Megan Rutherford, Energy Service Technician; Phil Zimmer, Energy Services Manager; Mark Prezbindowski, IT Specialist; and Alex Shelley, Communications Executive, attended the meeting, either in person or virtually via the Zoom webinar platform.

Community Focus Donations

The Board reviewed the application scorecard results. Following review, Director Garvey motioned to award the Community Focus donation (as follows), apply for Basin match when applicable and carry forward the \$375 remaining donation funds to next quarter's review. Director Cooney seconded. The motion was voted and carried. The awarded amounts are as follows:

- Rico Fire Protection District, \$2,000 SMPA donation with a \$2,000 Basin Electric match request.
- Ouray County Support and Advocacy Project, \$750 with a \$750 Basin Electric match request.
- San Juan Development Association, \$1,000 SMPA donation with a \$1,000 Basin Electric match request.
- San Juan BOCES, \$750 SMPA donation with a \$750 Basin Electric match request.
- Palm Arts, \$1,000 SMPA donation with a \$1,000 Basin Electric match request.
- West End Cycling Adventures, \$2,000 SMPA donation with a \$2,000 Basin Electric match request.
- Giggling Goat Farms, \$500 SMPA donation with a \$500 Basin Electric match request.

Board Donations

Director Rhoades donated \$100 to Silverton Skijoring.

Finance

Year-End Financial Update

Manager Lehigh provided a preliminary year-end financial overview, advising that it was a good year; revenues were up, which is directly linked to the winter weather and spring. Details are being finalized, and staff will present year-end financials at the February Board meeting.

Deferred Revenue Plan Amendment

Chief Financial Officer Lance Lehigh reviewed the revenue deferral plan and proposed changes, including adjusting the recognition schedule from a time frame of 2023-2027 to 2024-2027 and adding an additional \$200,000 from 2023 operating margins. Mr. Lehigh noted the amendment will position SMPA to be able to respond to anticipated rate changes for wholesale power supply in the future and will help soften the rate increase impact to the membership. Following the discussion, Director Rhoades motioned to approve Resolution 2024-01 Resolution to Amend Revenue Deferral Plan as presented. Director Cokes seconded. The motion was voted and carried.

Marketing & Member Services

Manager Freeman reviewed his report, noting that the 2024 rebate program is loaded on the website; the program advertises a December 15th deadline to allow staff time to roll up the program at the end of the year. Manager Freeman also provided an overview of SMPA's Annual Social Media Report, including a discussion of high-performing posts.

Information Technology

Manager Tea reviewed his report, highlighting that a third-party consultant has completed cyber penetration and vulnerability testing on SMPA's computer systems. The report's data helps staff strengthen SMPA's security position further with a multifaceted approach. Mr. Tea also noted that SMPA's phone system was migrated to the new Ring Central system in the first week of January.

Administration & Human Resources

Manager Rodriguez reviewed her report, highlighting that SMPA's Worker's Compensation Cost Containment Certificate has been renewed for three years.

Engineering | Operations | Safety and Regulatory Compliance

Manager Fox reviewed his report. Mr. Fox discussed the cause of the recent outage in Silverton; he advised that repairs have been made at the substation, and further work is scheduled for early summer 2024 when Tri-State will place a mobile substation at SMPA's Silverton substation that will allow several maintenance projects to be completed on the transformer. Manager Fox advised that supply chain lead times continue to be a challenge. The Nucla front office remodel is underway and scheduled to be completed in late February.

6. BOARD TOPICS

NRECA Voting Delegate and Alternate

Director Cokes advised that CREA's current NRECA voting delegate is retiring, and it is time to vote for a new CREA NRECA representative. Director Felicelli motioned that Director Cokes be appointed as CREA NRECA voting delegate and volunteered himself, Director Felicelli, as the alternate. Director Rhoades seconded. No other nominations were made. Following discussion, the motion was voted and carried.

7. ASSOCIATED MEETING REPORTS

Eco-Action- Toby Brown

Director Brown reviewed the EcoAction Partners 2023 Annual Report, highlighting that EcoAction received a grant of \$150,000 over three years to be awarded in 2024 from the EPA to address environmental and public health vulnerabilities related to wildfire and drought preparedness, energy, recreation, and advocacy in San Miguel County and Montrose County. This funding will bolster access to programs that address inequalities around these vulnerabilities through education and outreach to underserved residents and increase public health and climate and environmental resiliency among underserved populations. Additionally, EcoAction will release an EV Readiness plan to help codify a roadmap for EV infrastructure in the region going forward.

CREA- Debbie Cokes

Director Cokes advised the next CREA Board of Directors meeting is scheduled at the end of the month.

Legislative Review

Director Cokes stated that CREA's Legislative Committee has met twice, reviewed several bills, and determined three could potentially impact distribution cooperatives. The Colorado Energy Office is running three bills this year, including a bill focused on the modernization of resources in the state. Clean Energy plan updates for 2024 and a bill that is focused on IOU's.

Western United (WU)- Dave Alexander
N/A

Tri-State- Kevin Cooney

Director Cooney advised that Tri-State has filed an updated Energy Resource Plan (ERP) with the Colorado Public Utility Commission (CoPUC). The filing includes several scenarios, noting the preferred scenario includes TS being awarded a large amount of grant funding to be used to add significant renewables and battery storage to Tri-State's system as well as help with stranded assets expenses. The updated ERP filing anticipates an 89% reduction in carbon from 2005 levels to 2030 levels, which would surpass environmental groups' goals. Director Cooney added that Tri-State is beginning to implement a Distributed Energy Resource Management System (DERMS) and is beginning to target larger loads.

8. ATTORNEY'S REPORT

Executive Session

Director Cokes made a motion at 12:45 PM to enter into an executive session for personnel and contractual issues. Director Rhoades seconded. The motion was voted and carried. The Board entered executive session at 12:45 PM and came out at 1:47 PM. While in the executive session, no decisions were made, nor votes taken.

9. BOARD CALENDAR/TRAVEL

The Board reviewed upcoming meetings and training opportunities, including the CREA Annual Meeting, scheduled for January 31 - February 3, 2024, in Westminster, CO and NRECA's PowerXChange/Tech Advantage Conference, scheduled for March 1 – 6, 2024, in San Antonio, TX)

10. MISCELLANEOUS

Appoint Election Monitor

Director Alexander motioned to appoint Jim Link as the independent third party to monitor the 2024 election. Director Rhoades seconded. The motion was voted and carried.

Set Date of Record

Director Rhoades motioned to approve the date of record, April 4, 2024. Director Garvey seconded. The motion was voted and carried.

11. NEXT MEETING

The next regular Board of Directors meeting will be held on Tuesday, February 27, 2024, in Nucla and via Zoom. The March 2024 meeting will occur on Tuesday, March 26, 2024, in Ridgway and via Zoom.

12. ADJOURN

At 1:49 PM, Director Rhoades motioned to adjourn the meeting. Director Cokes seconded. The motion was voted and carried.

Doylene Garvey

Doylene Garvey (Feb 27, 2024 15:30 MST)

Doylene Garvey, Secretary/Treasurer